



August 11, 2003

Dear Durham County Residents:

I am pleased to present Durham County's Fiscal Year (FY) 2003-2004 Budget of \$611.6 million. The pages that follow reflect a modest increase from last year, with very few new programs included. The FY 2003-2004 budget presented here had to accommodate a \$2.9 million in loss in intangible revenues budgeted in the previous year. We were able to offset this loss with the anticipated full year of the Article 44 ½ cent Sales Tax instituted in December 2002. Other revenue challenges were related to the previous over-estimation of tax values in the County, which resulted in a lower than average growth from the prior fiscal year to this one.

The spending plan that has been approved will require a tax rate of 76.3 cents per \$100 of valuation, which represents a 1-cent increase (1.3%), over the prior FY 2002-03 rate of 75.3 cents.

This budget continues most current services and maintains those services at current levels. As has been the case for several years, we continue to be sensitive to the needs of those who are in crisis; have again made public education a high priority; continue initiatives to improve morale among county employees; and are constant in our vigil to eliminate unnecessary costs, all while preserving the excellent financial reputation of Durham County. This budget does provide funding for improved countywide security, needed minor repairs and improvements to county facilities, most notably the Detention Center.

The greatest challenge for Durham County continues to be meeting the increased demand for, and cost of, vital public services at an acceptable cost. In spite of that challenge, Durham County continues to be recognized across the country for outstanding services. The truth is, our commitment to see that our citizens are provided with good, reliable, cost-effective services is as strong as ever. Durham County's challenge, as with other Counties in North Carolina, is complicated by the continuing high cost of our Medicaid match, a downturn in the economy, and financial investment earnings. We will continue to strive to meet these challenges even though our revenue picture, as it relates to State reimbursements and possible alternative revenue sources, is still not certain.

If you have any questions about the Durham County Budget, please contact Budget and Management Services at 560-0004. If you have questions about other County services, please contact the Public Information Office at 560-0008.

Thank you for your continued interest in and support of Durham County Government.

Sincerely,

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Michael M. Ruffin

County Manager